

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
	XXX	3,661,813	2,214,343
1. Member months.....			
2. Net premium income.....	XXX	469,433,363	173,134,830
3. Change in unearned premium reserves and reserve for rate credits.....	XXX		
4. Fee-for-service (net of \$.....0 medical expenses).....	XXX		
5. Risk revenue.....	XXX		
6. Aggregate write-ins for other health care related revenues.....	XXX	0	0
7. Total revenues (Lines 2 to 6).....	XXX	469,433,363	173,134,830
<b>Medical and Hospital:</b>			
8. Hospital/medical benefits.....		522,365,305	143,234,945
9. Other professional services.....		11,189,235	
10. Outside referrals.....			
11. Emergency room and out-of-area.....			
12. Aggregate write-ins for other medical and hospital.....	0	120,996,051	5,808,553
13. Incentive pool and withhold adjustments.....			(1,022,584)
14. Subtotal (Lines 8 to 13).....	0	654,550,591	148,020,914
<b>Less:</b>			
15. Net reinsurance recoveries.....		254,429,169	
16. Total medical and hospital (Lines 14 minus 15).....	0	400,121,422	148,020,914
17. Claims adjustment expenses.....		21,864,466	8,554,853
18. General administrative expenses.....		28,563,659	13,980,654
19. Increase in reserves for accident and health contracts.....		(6,400,000)	(3,500,000)
20. Total underwriting deductions (Lines 16 through 19).....	0	444,149,547	167,056,421
21. Total underwriting gain or (loss) (Lines 7 minus 20).....	XXX	25,283,816	6,078,409
22. Net investment income earned.....		3,747,467	3,951,624
23. Net realized capital gains or (losses).....		1,054,787	(229,926)
24. Net investment gains or (losses) (Lines 22 plus 23).....	0	4,802,254	3,721,698
25. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)].....			
26. Aggregate write-ins for other income or expenses.....	0	234,871	698,719
27. Net income or (loss) before federal income taxes (Lines 21 plus 24 plus 25 plus 26).....	0	30,320,941	10,498,826
28. Federal and foreign income taxes incurred.....	XXX	5,350,317	2,754,600
29. Net income (loss) (Lines 27 minus 28).....	XXX	24,970,624	7,744,226

**DETAILS OF WRITE-INS**

0601.....	XXX		
0602.....	XXX		
0603.....	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	XXX	0	0
1201. Prescription Drug Paid Claims.....		120,996,051	5,808,553
1202.....			
1203.....			
1298. Summary of remaining write-ins for Line 12 from overflow page.....	0	0	0
1299. Totals (Lines 1201 thru 1203 plus 1298) (Line 12 above).....	0	120,996,051	5,808,553
2601. Miscellaneous Income / (Expense).....		316,880	39,693
2602. Correct Prior Year Equity Change in Machigonne, Inc.....		(82,009)	
2603. Elimination of Loss for Consolidation purposes.....			659,026
2698. Summary of remaining write-ins for Line 26 from overflow page.....	0	0	0
2699. Totals (Lines 2601 thru 2603 plus 2698) (Line 26 above).....	0	234,871	698,719

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

	1 Current Year	2 Prior Year
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>		
30. Capital and surplus prior reporting year.....	25,427,519	.....
<b>GAINS AND LOSSES TO CAPITAL AND SURPLUS</b>		
31. Net income or (loss) from Line 29.....	24,970,624	7,744,226
32. Change in valuation basis of aggregate policy and claim reserves.....	.....	.....
33. Net unrealized capital gains and losses.....	(4,476,590)	(402,799)
34. Change in net unrealized foreign exchange capital gain or (loss).....	.....	.....
35. Change in net deferred income tax.....	(6,122,960)	.....
36. Change in nonadmitted assets.....	12,791,213	(105,314,628)
37. Change in unauthorized reinsurance.....	.....	.....
38. Change in treasury stock.....	.....	.....
39. Change in surplus notes.....	.....	.....
40. Cumulative effect of changes in accounting principles.....	1,011,718	.....
41. Capital Changes:		
41.1 Paid in.....	.....	.....
41.2 Transferred from surplus (stock dividend).....	.....	.....
41.3 Transferred to surplus.....	.....	.....
42. Surplus adjustments:		
42.1 Paid in.....	.....	.....
42.2 Transferred to capital (stock dividend).....	.....	.....
42.3 Transferred from capital.....	.....	.....
43. Dividends to stockholders.....	.....	.....
44. Aggregate write-ins for gains or (losses) in surplus.....	(247,820)	123,400,720
45. Net change in capital and surplus (Lines 31 to 44).....	27,926,185	25,427,519
46. Capital and surplus end of reporting year (Line 30 plus 45).....	53,353,704	25,427,519

**DETAILS OF WRITE-INS**

4401. Paid in Capital.....	.....	120,652,900
4402. Common Stock.....	.....	2,500,000
4403. Change in Non-recognized Liabilities.....	(247,820)	247,820
4498. Summary of remaining write-ins for Line 44 from overflow page.....	.0	0
4499. Totals (Lines 4401 thru 4403 plus 4498) (Line 44 above).....	(247,820)	123,400,720